

**STATEMENT OF PURPOSE****RS20291C1**

The purpose of this jobs bill legislation is to provide an incentive to employers to create new jobs in Idaho. This legislation will allow an employer to receive a portion of the new employee withholding already paid to the state that can be reinvested into the business and create more new jobs. This legislation will provide a 4% refundable tax credit of a new employee's gross wage to the employer or be offset against the employer's state tax liability as an incentive for creating a job that pays \$12 per hour or more with benefits. Any funds returned to the employer will come from the state refund account where employee income tax withholdings are deposited. The four percent refund represents the median point of the Idaho income tax withholding tables, ranging from approximately 1.2% up to 7.6%. This legislation sunsets on December 31, 2013.

**FISCAL NOTE**

The fiscal impact of this legislation is unknown because the ratio of high paying jobs created to low paying jobs created will determine the increase or decrease to the general fund. The increase of personal income tax and sales tax paid by the new employees' should also enhance the general fund.

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**Statement of Purpose / Fiscal Note**

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